



# Appropriations Update

Committee on the Budget • Majority Caucus  
U.S. House of Representatives  
Jim Nussle, *Chairman*

309 Cannon House Office Building  
Washington, DC 20515 • (202) 226-7270  
Rich Meade, *Chief of Staff* • [www.budget.house.gov](http://www.budget.house.gov)

Volume 4, No. 8

12 July 2004

## AGRICULTURE APPROPRIATIONS BILL FOR FISCAL YEAR 2005 – H.R. 4766

### SUMMARY

The Agriculture appropriations bill, which was reported to the House on 7 July 2004 (HR 4766; H.Rept. 108-584), provides new budget authority equal to the 302(b) suballocation for the Appropriations Subcommittee on Agriculture.

The bill is consistent with the appropriate levels in the budget resolution for fiscal year 2005 (S.Con.Res. 95, as applied in the House of Representatives by H.Res. 649, 108<sup>th</sup> Congress). Therefore it complies with provisions of the Congressional Budget Act.

### COST OF THE LEGISLATION

H.R. 4766 provides \$16.772 billion in new budget authority [BA] and \$18.011 billion in outlays for 2005 – a decrease of \$875 million in BA and an increase of \$181 million in outlays from fiscal year 2004 (see Table 1 below). The reason outlays increase despite the reduction in BA is that the bill includes savings actions that reduce budget authority without a commensurate decrease in outlays.

The BA savings in the bill total \$1.285 billion. The savings include \$1.273 billion in BA from changes in mandatory

spending, and \$12 million from the rescission of previously enacted BA. These BA savings produce a total of \$510 million in outlay savings, of which \$8 million is from the rescissions.

Although budget authority in the bill declines by 5.0 percent from the previous year, it is \$369 million above the President's request. The bill does not contain appropriations designated as emergencies, nor does it provide appropriations for future years.

**Table 1: Agriculture Appropriations Bill**  
(fiscal years; millions of dollars)

	2004 Spending	Administration 2005	302 (b) for 2005	Bill
Budget Authority	17,647	16,403	16,772	16,772
Outlays	17,830	17,849	18,113	18,011

### COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for new budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of BA and outlays established in the budget resolution.

The \$16.772 billion in new discretionary BA is the same as the 302(b) allocation to the Agriculture subcommittee;

outlays are \$102 million below the allocation. Because no appropriations bills for fiscal year 2005 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a)

The mandatory savings provisions in the bill are under the jurisdictions of their respective authorizing committees. If the provisions were stricken, the bill would exceed its allocation under section 302(b) of the Budget Act

(continued on next page)

**Table 2: Discretionary Spending in the Agriculture Appropriations Bill**  
(in millions of dollars)

	2004 Budget Authority	2004 Outlays	2005 Budget Authority	2005 Outlays	Difference BA	Difference Outlays
Agricultural Research Service .....	1,145	1,121	1,259	1,158	114	37
Cooperative State Research, Education, and Extension Service .....	1,115	1,024	884	1,097	-231	73
Animal Plant Health Inspection Service ..	721	688	814	799	93	111
Food Safety and Inspection Service .....	775	782	825	835	50	53
Farm Service Agency .....	1,497	1,546	1,416	1,471	-81	-75
Natural Resources Conservation Service .....	1,177	1,043	492	760	-685	-283
Rural Development .....	867	937	811	990	-56	53
Rural Housing Service .....	1,369	1,516	1,351	1,533	-18	17
Foreign Agricultural Service .....	1,498	1,636	1,504	1,658	6	22
Food and Nutrition Service .....	4,901	5,006	5,213	5,278	312	272
Other Department of Agriculture .....	1,094	1,066	639	935	-455	-131
Food and Drug Administration .....	1,386	1,366	1,463	1,395	77	29
Other .....	102	99	101	102	-1	3
<b>Total .....</b>	<b>17,647</b>	<b>17,830</b>	<b>16,772</b>	<b>18,011</b>	<b>-875</b>	<b>181</b>

## DISCUSSION

As noted, appropriations for fiscal year 2005 are \$875 million below fiscal year 2004 spending (See Table 2 above). Compared to 2004, spending is reduced for the following: the Natural Resource Conservation Service (\$685 million); the Cooperative State Research, Education and Extension Service (\$231 million); the Farm Service Agency (\$81 million); Rural Development (\$56 million); the Rural Housing Service (\$18 million); other Department of Agriculture programs (\$455 million); and other independent agencies (\$1 million).

These decreases relative to 2004 include savings in mandatory programs (see below for further detail) for the Natural Resource Conservation Service (\$501 million); other Department of Agriculture Programs (\$423 million); the Cooperative State Research, Education, Extension Service (\$260 million); the Farm Service Agency (\$49 million); the Rural Housing Service (\$30 million); and the Food and Nutrition Services (\$10 million).

Those decreases are partially offset by increases in fiscal year 2005 for the Food and Nutrition Service (\$312 million), the Agricultural Research Service (\$114 million), the

Animal Plant Health Inspection Service [APHIS] (\$93 million), the Food and Drug Administration (\$77 million), the Food Safety and Inspection Service [FSIS] (\$50 million), and the Foreign Agriculture Service (\$6 million).

Relative to the President's request, the bill increases BA by a net of \$369 million. Increases are provided in the Cooperative State Research, Education, and Extension Service (\$136 million); Rural Development (\$119 million); FSIS (\$110 million); the Food and Nutrition Services (\$105 million); the Agricultural Research Service (\$93 million); the Natural Resource Conservation Service (\$32 million); and the Rural Housing Service (\$6 million). These are partially offset by decreases, compared with the President's request, in other Agriculture Department activities (\$155 million), HHS-Food and Drug Administration (\$32 million), the Farm Service Agency (\$20 million), the Foreign Agriculture Service (\$12 million), APHIS (\$8 million), and independent agencies (\$5 million).

The bill does not provide the new fees for APHIS, Grain Inspection, Packers and Stockyards and FSIS requested by the administration.

(continued on next page)

---

---

## CHANGES IN MANDATORY PROGRAMS

The bill contains changes in mandatory programs – programs not subject to annual appropriations – that generate savings to offset discretionary spending.

It is not unusual for the Agriculture appropriations bill to provide such mandatory savings: in fiscal year 2004, the Congressional Budget Office estimated offsets to discretionary spending from entitlement programs of \$605 billion in BA and \$166 million in outlays. This year the bill provides savings of \$1.273 billion in BA and \$502 million in outlays, an increase of \$668 million in BA and \$336 million in outlays over 2004.

The majority of these savings policies, accounting for \$1.271 billion in BA, were also requested by the President. These savings are the following: a delay in obligations of Future Agriculture and Food Systems (\$260 million) and limits on the Farm Security and Rural Reinvestment Program (\$351 million); dam rehabilitation (\$150 million); rural strategic investment programs (\$100 million); the Rural Business Investment Trust (\$96 million); the local television loan guarantee program (\$80 million); rural

cooperative development grants (\$80 million); the Commodity Credit Corporation Fund (\$50 million); broadband service access (\$40 million); rural community grants (\$30 million); the renewable energy program (\$23 million); studies and evaluations of the Food Stamp Program (\$6 million); and rural electrification interest payments (\$5 million).

The bill also includes \$2 million in mandatory savings not requested by the President. Savings are achieved in studies and evaluations of child nutrition programs (\$4 million), and then are partly offset by increases for the Commodity Corporation Fund citrus canker programs (\$1 million), and the National Sheep Industry Improvement Center (\$1 million).

Although these mandatory provisions are under the jurisdictions of their respective authorizing committees, the savings are counted toward the allocation to the Agriculture subcommittee. As noted above, if these provisions were stricken, the bill would exceed its allocation under section 302(b) of the Budget Act.

---

---

Prepared by ..... Tiffany Blair, Chuck Berwick, Budget Analysts  
Daniel J. Kowalski, Director of Budget Review